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MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
CENTRAL VALLEY AUDITORIUM
SACRAMENTO, CALIFORNIA

WEDNESDAY, JANUARY 15, 2003
10:30 A.M.

JAMES F. PETERS, CSR, RPR
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Linda Moulton-Patterson, Chairperson

Jose Medina, Vice Chairperson

Sal Cannella

Steven R. Jones

Michael Paparian

Carl Washington

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Kathryn Tobias, Chief Counsel

Terry Jordan, Deputy Director

Jim Lee, Deputy Director

Rubia Packard, Assistant Director

Pat Schiavo, Deputy Director

Frank Simpson, Assistant Director

Scott Walker, Acting Deputy Director

Patty Wohl, Deputy Director

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CHAIRPERSON MOULTON-PATTERSON: We'll get started

and reconvene our meeting. The Board met in closed session. There were no votes taken.

And we will now -- you know, I want to say good morning to everybody. And please turn off your cell phones and pagers.

There's speaker slips in the back for members of the public. And Ms. Waddell right here will let us know if you'd like to speak to us publicly.

And with that, would you please call the roll.

SECRETARY WADDELL: Cannella?

BOARD MEMBER CANNELLA: Here.

SECRETARY WADDELL: Jones?

BOARD MEMBER JONES: Here.

SECRETARY WADDELL: Medina?

VICE CHAIRPERSON MEDINA: Here.

SECRETARY WADDELL: Paparian?

BOARD MEMBER PAPARIAN: Here.

SECRETARY WADDELL: Washington?

BOARD MEMBER WASHINGTON: Here.

SECRETARY WADDELL: Moulton-Patterson?

CHAIRPERSON MOULTON-PATTERSON: Here.

Any ex partes?

Mr. Jones.

1 BOARD MEMBER JONES: Denise Delmatier and Mike
2 Cinjockmo. I think that that's it.

3 CHAIRPERSON MOULTON-PATTERSON: Mr. Cannella.

4 BOARD MEMBER CANNELLA: None to report, Madam
5 Chair.

6 CHAIRPERSON MOULTON-PATTERSON: Thank you.

7 I had a social conversation with Kent Stoddard.
8 No issues were discussed.

9 Mr. Medina.

10 VICE CHAIRPERSON MEDINA: None to report.

11 CHAIRPERSON MOULTON-PATTERSON: Mr. Paparian.

12 BOARD MEMBER PAPARIAN: None.

13 CHAIRPERSON MOULTON-PATTERSON: Mr. Washington.

14 BOARD MEMBER WASHINGTON: Marc Aprea regarding
15 C&D regs.

16 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

17 Okay. With that, we had left off -- we'd almost
18 finished our meeting. We have three items, I believe, the
19 Waste Prevention and Market Development. We did hear
20 testimony by Mike Mohajer on 56.

21 And then at 11:00 o'clock we plan to have
22 Secretary Hickox come down and swear in our new member.

23 So with that I'm going to call on Ms. Wohl for
24 Waste Prevention and Market Development.

25 Oh, did you wish to report anything in this

1 section? You'd already given your report, hadn't you, Mr.
2 Medina?

3 VICE CHAIRPERSON MEDINA: I had, yes.

4 CHAIRPERSON MOULTON-PATTERSON: Thank you.

5 Ms. Wohl.

6 DEPUTY DIRECTOR WOHL: Patty Wohl, Waste
7 Prevention and Market Development Division.

8 Agenda item 52, which is consideration of
9 completion of the 1997-1999 rigid plastic packaging
10 container compliance agreements for the following company:
11 And that is Number 5, Bix Manufacturing, incorporated.

12 All the rest were put on consent. But we were
13 waiting for additional information from this company.

14 In their final report to us the product
15 manufacturers supplemental information request for small
16 company or small volume was sent to us. The form
17 indicated that the annual number of RPPs sold in
18 California for 2002 was 4,068, for an approximate total
19 weight of 885 pounds of resin disposed in California
20 landfills.

21 Based on previous direction from the Board at its
22 October 2002 meeting, staff believes that Bix should be
23 considered to have a diminimous impact on California's
24 waste stream. Staff recommends the Board approve Option 5
25 for Bix Manufacturing Company, Incorporated, and adopt

1 Resolution 2003-16.

2 BOARD MEMBER JONES: Madam Chair?

3 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

4 BOARD MEMBER JONES: I'll move adoption of
5 Resolution 2003-16, consideration of completion of the
6 '97-'99 RPPC compliance agreement with Bix Manufacturing
7 Company, Incorporated.

8 VICE CHAIRPERSON MEDINA: Second.

9 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a
10 motion by Mr. Jones, a second by Mr. Medina, to approve
11 Resolution 2003-16.

12 Please call the roll.

13 SECRETARY WADDELL: Cannella?

14 BOARD MEMBER CANNELLA: Aye.

15 SECRETARY WADDELL: Jones?

16 BOARD MEMBER JONES: Aye.

17 SECRETARY WADDELL: Medina?

18 VICE CHAIRPERSON MEDINA: Aye.

19 SECRETARY WADDELL: Paparian?

20 BOARD MEMBER PAPARIAN: Aye.

21 SECRETARY WADDELL: Washington?

22 BOARD MEMBER WASHINGTON: Aye.

23 SECRETARY WADDELL: Moulton-Patterson?

24 CHAIRPERSON MOULTON-PATTERSON: Aye.

25 Okay.

1 DEPUTY DIRECTOR WOHL: Then Agenda Item 55,
2 consideration of the contractor for the Sustainable
3 Building Technical Assistance Service Contract, Fiscal
4 Year 2002-3, Contract Concept Number 25.

5 This item is for consideration of the contractor
6 for the sustainable building at both the Special Waste and
7 Market Development Committee. And the Budget and Admin
8 Committee members voted unanimously to adopt Option 1.
9 Staff recommends Option 1 for the Board to approve BNIM as
10 the contractor for the Sustainable Building Technical
11 Assistance Service Contract and adopt Resolution 2003-31.

12 CHAIRPERSON MOULTON-PATTERSON: Any questions?

13 BOARD MEMBER JONES: Madam Chair?

14 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

15 BOARD MEMBER JONES: I'll move adoption of
16 Resolution 2003-31, the consideration of contractor for
17 the Sustainable Building Technical Assistance Contract,
18 Fiscal Year 2002-3, Concept Number 25, and award the
19 contract to BNIM.

20 CHAIRPERSON MOULTON-PATTERSON: I'll second that.

21 We have a motion by Mr. Jones, seconded by
22 Moulton-Patterson, to approve Resolution 2003-31.

23 Without objection, substitute the previous roll
24 call.

25 Okay. That brings us to our last item. But

1 there will be time for public comments and Board member
2 comments certainly. I didn't mean to go right into the
3 meeting. But at the end we always have one last time for
4 public comments.

5 CHAIRPERSON MOULTON-PATTERSON: Fifty-six.

6 DEPUTY DIRECTOR WOHL: Okay. Agenda Item 56,
7 consideration of the scope of work for Conversion
8 Technologies Life Cycle and Market Impact Assessment
9 Contract. And we did have this presentation at the
10 Committee meeting, but we had a time shortage. And so the
11 Committee thought maybe we should make the decision here
12 and allow for more discussion if necessary.

13 So Howard has a 40-minute present -- just
14 kidding.

15 (Laughter.)

16 DEPUTY DIRECTOR WOHL: A little humor.

17 CHAIRPERSON MOULTON-PATTERSON: That woke us up.

18 DEPUTY DIRECTOR WOHL: I guess we'll do the short
19 version.

20 CHAIRPERSON MOULTON-PATTERSON: Oh, okay.

21 DEPUTY DIRECTOR WOHL: Anyway, I'll introduce
22 Howard Levenson.

23 MR. LEVENSON: I'll cut it down to 35.

24 DEPUTY DIRECTOR WOHL: Thought I'd scare you all
25 a little bit.

1 MR. LEVENSON: We'll be very brief. And then
2 just allow you to ask whatever questions you'd like.

3 As Patty said, this item is requesting that the
4 Board approve a scope of work for a contract to evaluate
5 environmental impacts and market impacts of developing
6 conversion technologies in the future in California.

7 AB 2770 was passed last year, and it has a number
8 of different requirements in the legislation. There's two
9 in particular that this scope of work is designed to
10 address. And, that is, to describe the life cycle
11 environmental impacts of conversion technologies to
12 compare them with solid waste management practices. And
13 then to look at what the potential impacts of developing
14 these technologies might be on markets for composting and
15 recycling. And this scope of work is designed
16 specifically to address that.

17 If you approve the scope of work, then we will
18 issue a request for proposals later this week through our
19 Contracts Office and come back to you in April with
20 recommendations for award of a contractor.

21 Next month you'll get a couple more items that
22 are also designed to address the legislative requirements.
23 And those are in the pipeline.

24 With that I'll just stop, unless you have any
25 particular questions, and recommend that you approve

1 Option 1 and adopt Resolution Number -- got to put my
2 glasses on -- 2003-32.

3 CHAIRPERSON MOULTON-PATTERSON: Thank you.
4 Mr. Paparian.

5 BOARD MEMBER PAPARIAN: Thank you, Madam Chair.

6 Yeah, I previously had some questions. And I
7 think since they've been pretty much answered -- one of
8 the things I had been concerned about was, when I saw the
9 scenario for development of 13 or 14 facilities throughout
10 California, it turns out that I was misreading that, that
11 the scenarios for 13 or 14 facilities are simply for the
12 purposes of the type of analysis, to look at what the
13 potential impacts of these facilities would be, rather
14 than any sort of endorsement by this Board at this point
15 of having 13 or 14 facilities sited throughout California.

16 I also had some concerns about assuring that the
17 intent of the legislation was being carried out through
18 our scope of work, and was informed that this is one of --
19 there's going to be more than one scope of work to carry
20 out the legislation, that some of my concerns about
21 assuring that some of the environmental analyses and other
22 analyses called for in the legislation are actually done,
23 will be conducted in the context of a different scope of
24 work.

25 And Howard's nodding.

1 MR. LEVENSON: I concur with that.

2 You will get two items next month. One, an
3 interagency agreement with OEHHA and one with the
4 University of California to do those other aspects of the
5 work.

6 BOARD MEMBER PAPARIAN: Yeah. And I think it's
7 going to be -- you know, this is a very sensitive issue
8 and one where I think we need to assure that we're
9 tracking what the Legislature asked us to do. And I think
10 that the staff is doing a good job of doing that.

11 BOARD MEMBER JONES: Madam Chair?

12 CHAIRPERSON MOULTON-PATTERSON: Mr. Jones.

13 BOARD MEMBER JONES: Thank you, Madam Chair.

14 Just a couple of issues. I did get an E-mail
15 from Paul Rellis, who has been working on this issue
16 forever. He had some issues on the scenarios. And I'm
17 going to leave it up to the discretion of the other Board
18 how they want to deal with it. It sounds like Mr.
19 Paparian doesn't have a problem with the scenarios.

20 There would be an option of saying, instead of
21 one 1,000 ton facility, that maybe it would be, you know,
22 three 500 ton facilities; instead of a 2500 ton
23 gasification, it could be maybe three facilities totaling
24 2500 tons.

25 I'm not sure how the members feel. I don't -- I

1 think it's important that we look at some tonnage. But
2 whatever the members feel more comfortable with and what
3 will give us a better idea of what will probably be the
4 sizing of these facilities going in, I think they're going
5 to be relatively small to start with.

6 But I have one other issue that wasn't covered
7 that I think needs to really go into the analysis. In
8 California we're dependent on exporting recovered
9 materials back to the Pacific rim. That dependency is
10 very real, but it is dependent on ocean-going containers
11 being empty, meaning products coming over -- new products
12 coming into the United States into the Pacific -- into our
13 West Coast for sale and then those empty containers going
14 back with product in it.

15 That's the only way that all of this recovered
16 recyclables ends up with a marketplace, because we don't
17 have the markets in the West Coast to take this kind of
18 volume. There is a change in the sale of finished goods
19 coming out of China and Japan and those kinds of places
20 that aren't always just going to the West Coast. They're
21 starting to go to other third-world countries, Iron
22 Curtain -- or former Iron Curtain countries.

23 So, Howard, I think it's important that we look
24 at the change in the global economy as far as import and
25 export goes and get a better realization of the container

1 availability. Because as containers start becoming rarer
2 and rarer on the West Coast, we're going to have a harder
3 time moving recovered product. That's a reality. And it
4 became very clear with a 10-day strike -- or lockout at
5 the ports, that recycling facilities all over the state
6 are not getting empty containers to move recovered
7 products.

8 So they're sitting on warehouses full of baled
9 paper and baled OCC, all types of materials that they
10 can't get containers for.

11 That I think highlights a concern that we need to
12 have as part of this study. Because without other avenues
13 and us being dependent on foreign markets, we're really
14 setting ourselves up for a problem if the trend continues
15 that we're not going to see those containers.

16 So I'd like it to be included, to give this Board
17 a better picture of what potentially could be a disaster
18 for these recovered goods.

19 MR. LEVENSON: If I can just respond real quickly
20 on a couple things.

21 CHAIRPERSON MOULTON-PATTERSON: Certainly, Mr.
22 Levenson.

23 MR. LEVENSON: First of all, I forgot to mention
24 that Steve Storelli and Fernando Berton have done the bulk
25 of the work on this. And I just want to acknowledge that

1 this is a complex scope of work.

2 Regarding Mr. Paparian's comments on the intent
3 of the legislation, that's paramount in our minds, and I'm
4 glad that you're satisfied. And I just want to make sure
5 that if you do have -- any Board members have concerns
6 about that, that we'd be happy to talk to you about that.

7 The tonnage figures on the scenarios, it is
8 correct, as Mr. Paparian and Mr. Jones said, that we just
9 want to make sure that there's -- that the contractor's
10 looking at sufficient tonnage so that there's a real
11 potential impact and not just kind of white noise in the
12 market. But it is more reasonable to have smaller
13 facilities. That's what folks are talking about. So with
14 your direction, we'll change that figure to several
15 facilities at the same total tonnage.

16 And regarding the containers, we can insert -- we
17 can either put a question in here, in the scope of work
18 something to the effect of "What changes in the global
19 economy" -- "What will changes in the global economy such
20 as container availability have on export markets for
21 materials collected in California?" Or we could work with
22 the contractor. But I'd prefer to have it directly in the
23 scope, because it's just -- it's there.

24 And then I just wanted to mention Mr. Mohajer's
25 comments yesterday. I did speak with him. And he made

1 two comments, one about are we going to be looking at
2 environmental impacts compared to other disposal
3 options -- compared to disposal options? And that will be
4 part of this.

5 And then he had also asked whether we would be
6 able to expand this to do a cost-benefit analysis. And
7 that's really beyond the scope of the legislation. But we
8 will be collecting cost and market impact information that
9 could be used for a subsequent cost benefit analysis.

10 So I feel like we're well within the scope of the
11 legislation in that.

12 CHAIRPERSON MOULTON-PATTERSON: Any other
13 comments?

14 We have a public speaker.

15 And I do want to note again that we took
16 testimony from Mike Mohajer yesterday on this item.

17 George Larson representing Plastic Energy.

18 MR. LARSON: Thank you, Madam Chair and members.

19 First I want to express my appreciation to your
20 staff, who have been so helpful and cooperative in what is
21 a new company that I'm involved in, which has a conversion
22 technology designed to take plastics -- waste plastics
23 that are not already being directed to a recycling or
24 beneficial end use and converting that to ultra-low sulfur
25 diesel fuel and electricity.

1 With a new company I had a couple of concerns.
2 One has to do with the legislation itself. Of course, as
3 we all know, it was funded at a million and a half dollar
4 level, originally intended to provide some seed money for
5 companies like the one we're trying to start up. But it
6 ended up being a study bill. Basically this study will be
7 the result of that final change. I believe the agenda
8 item says upwards of \$850,000 towards this study.

9 My concern is about timing. That's an awful lot
10 of money to spend in I think it's about 9 months. I think
11 this is so critical and so important to the Board and to
12 the future of conversion technology, that I'm just
13 imploring to you that next -- or this legislative session,
14 if you feel that this is not sufficient time to do the
15 level of detail of study that this money will enable you
16 to do -- as my discussions went with legislative staff,
17 there was some thought that maybe this date in the bill
18 was a mistake and that by adding another year -- giving
19 yourself another year, possibly the author or someone
20 would be willing to just do that technical change, so that
21 you have more opportunity to investigate this critical
22 issue in more detail.

23 Thank you.

24 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.
25 Larson.

1 MR. LEVENSON: Just a quick comment on that.

2 The legislation actually does say that the Board
3 is due to report to the Legislature in April of 2003.
4 Well, clearly -- the funding just became available January
5 1st, and we won't have any results until later this year.
6 Our legislative office has worked with the author's office
7 on an understanding that we would report a year later. So
8 these contracts and the interagency agreements are
9 designed to get results by December so that we can bring a
10 draft report to you in January of 2004 for your
11 consideration.

12 CHAIRPERSON MOULTON-PATTERSON: Okay. Thank you.

13 Do we have a motion?

14 Mr. Jones.

15 BOARD MEMBER JONES: Madam Chair, thank you.

16 I'd like to move adoption of resolution 2003-32,
17 consideration of scope of work for Conversion Technology
18 Life Cycle and Market Impact Assessment Contract, Fiscal
19 Year 2002-3, AB 2770 appropriation, with the revisions.

20 BOARD MEMBER CANNELLA: Second.

21 CHAIRPERSON MOULTON-PATTERSON: Okay. We have a
22 motion by Mr. Jones, seconded by Mr. Cannella, to approve
23 Resolution 2003-32.

24 Please call the roll.

25 SECRETARY WADDELL: Cannella?

1 BOARD MEMBER CANNELLA: Aye.
2 SECRETARY WADDELL: Jones?
3 BOARD MEMBER JONES: Aye.
4 SECRETARY WADDELL: Medina?
5 VICE CHAIRPERSON MEDINA: Aye.
6 SECRETARY WADDELL: Paparian?
7 BOARD MEMBER PAPARIAN: Aye.
8 SECRETARY WADDELL: Washington?
9 BOARD MEMBER WASHINGTON: Aye.
10 SECRETARY WADDELL: Moulton-Patterson?
11 CHAIRPERSON MOULTON-PATTERSON: Aye.
12 Okay. That is our last item.
13 I'll now open it up to the Board.
14 Mr. Washington, did you wish to speak?
15 BOARD MEMBER WASHINGTON: No.
16 CHAIRPERSON MOULTON-PATTERSON: Thank you.
17 Any other Board members?
18 Any further comments?
19 At this time -- I know we probably said it all
20 last month. But, Sal, I want you to know we're really
21 going to miss you. And you've really contributed a lot to
22 this Board in a very short time. And it's been a pleasure
23 to have you on the Board.
24 I understand you're going to come back and pick
25 up your resolution. And we can all go to lunch. And

1 we're going to miss you.

2 And if any other Board member wants to add
3 anything, they certainly can.

4 Mr. Jones.

5 BOARD MEMBER JONES: Thanks, Madam Chair.

6 Yeah, Sal, it was enjoyable, to say the least.

7 And, you know, it is what it is. And I wish you nothing
8 but good luck. Because as quickly as you picked this up
9 and got involved was a real tribute to your work ethic and
10 your ability. And I've appreciated our short time
11 together.

12 BOARD MEMBER CANNELLA: Thank you.

13 CHAIRPERSON MOULTON-PATTERSON: Okay. Any other
14 comments?

15 Yes, Sal -- Mr. Cannella.

16 BOARD MEMBER CANNELLA: And I've said this a
17 thousand times, but thank you. I would like to
18 congratulate Cheryl Peace on being named to this Board. I
19 know she'll do a tremendous job. She's looking forward to
20 it. And with your help, she will be brought up to speed
21 in a hurry. You have a terrific staff. I know that they
22 are dedicated to educating her as quickly as they did me.
23 And I just wish her well.

24 And I thank all of you for the nice comments and
25 I wish you all well.

1 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr.
2 Cannella.

3 I have no public comment slips.

4 So with that, we're going to adjourn right here.

5 But I want to again mention that we will have Ms. Peace's
6 swearing in in just a few minutes. I want to give
7 everybody a chance to get down. We'll have it out in the
8 outer lobby.

9 And I'm looking forward to having Ms. Peace on
10 the Board very, very much. She'll bring a lot to this
11 Board.

12 And so with that we'll adjourn out to the lobby
13 area where Secretary Hickox will be giving the oath of
14 office.

15 (Thereupon the California Integrated Waste
16 Management Board adjourned at 10:50 a.m.)'

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board
7 meeting was reported in shorthand by me, James F. Peters,
8 a Certified Shorthand Reporter of the State of California,
9 and thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 24th day of January, 2003.

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23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
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